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# IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA (Richmond Division)

In re:	Chapter 11
CIRCUIT CITY STORES, INC. et al.	Case No. 08-35653-KRH
Debtors	Jointly Administered Judge Kevin R. Huennekens

### MOTION FOR APPROVAL OF ADMINISTRATIVE RENT CLAIM

Congressional North Associates Limited Partnership ("Congressional"), by and through its counsel, Craig M. Palik and McNamee, Hosea, Jernigan, Kim, Greenan & Lynch P.A., hereby moves the Court for entry of an order, substantially in the form attached hereto as <u>Exhibit C</u>, approving the administrative rent claim in the amount of \$47,096.13 owed to Congressional pursuant to Sections 365(d)(3) and 503(b) of Chapter 11 of Title 11 of the United States Code, and in support thereof states as follows:<sup>1</sup>

# **JURISDICTION AND VENUE**

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<sup>&</sup>lt;sup>1</sup> Congressional is aware that the Court has previously denied Objecting Landlords request for immediate payment of the November rent administrative claim [docket no. 1347]. By this Motion, Congressional seeks approval of its Administrative Claim to be paid at the same time and to the same extent as all other administrative rent claimants.

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

#### **BACKGROUND**

- 2. Congressional is the Lessor and Landlord of certain nonresidential real property located in Rockville, Maryland (the "Leased Premises").
- 3. On or about November 18, 1997, Congressional entered into a non-residential lease (the "Lease") with the Debtor. A true and accurate copy of the Lease is attached hereto as Exhibit A.
- 4. Pursuant to the Lease, the Debtor was obligated to pay, on the first day of November 2008, base rent and other monthly charges in the amount of \$67,280.19 (the "November Rent").<sup>2</sup>
- 5. On November 10, 2008 (the 'Petition Date"), the Debtor and several of its debtor affiliates filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.
- 6. The Debtor currently remains in possession of, and enjoys the use and occupancy of, the Leased Premises.
- 7. The Debtor has failed to pay the portion of the November Rent comprised of the "stub" administrative rent and other related charges due and owing under the Lease for the postpetition period commencing November 10, 2008 and ending on November 30, 2008, in the total aggregate amount of \$47,096.13 (the "November Administrative Rent"). A copy of the invoice showing the breakdown of the November Administrative Rent is attached hereto as Exhibit B.

#### **RELIEF REQUESTED**

<sup>&</sup>lt;sup>2</sup> Contemporaneous with the filing of this Motion, Congressional filed a proof of claim in the amount of \$20,184.06 on account of pre-petition rent and related expenses for the period beginning November 1, 2008 and ending on November 9, 2008.

- 8. Section 365(d)(3) of the Bankruptcy Code provides, in relevant part, as follows: "The trustee shall timely perform all the obligations of the debtor ... arising from and after the order for relief under any unexpired lease of nonresidential real property, until such lease is assumed or rejected, notwithstanding section 503(b)(1) of [Title 11 of the Bankruptcy Code]." *See also In re Trak Auto Corp.*, 227 B.R. 655, 665 (Bankr. E.D. Va. 2002), *rev'd* on other grounds, 367 F.3d 237 (4<sup>th</sup> Cir. 2004) (explaining that post-petition rent is an administrative expense payable timely at the full contract rate).
- 9. Congressional seeks entry of an order, substantially in the form attached hereto as Exhibit C approving an administrative rent claim in favor of Congressional on account of the "stub" administrative rent and other related charges due and owing under the Lease for the postpetition period commencing November 10, 2008 and ending on November 30, 2008 in the total amount of \$47,096.13.

### **RESERVATION OF RIGHTS**

10. Congressional seeks approval of administrative rent as accrued as of the date of this Motion. Congressional expressly reserves its rights with respect to future administrative claims it may have against the Debtor.<sup>3</sup>

#### **NOTICE**

11. Notice of this Motion will be given to (i) counsel to the Debtors, (ii) the Office of the United States trustee for the Eastern District of Virginia, Richmond Division, and (iii) all parties that have requested notice of papers pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure and parties in accordance with this Court's November 13, 2008 Order

<sup>&</sup>lt;sup>3</sup> The Debtor continues to enjoy the use and occupancy of the Leased Premises.

Establishing Certain Notice, Case Management and Administrative Procedures. Congressional submits that no other or further notice of this Motion is required.

### WAIVER OF MEMORANDUM OF LAW

12. Congressional respectfully requests that this Court treat this Motion as a written memorandum of points and authorities or waive any requirement that this Motion be accompanied by a written memorandum of points and authorities as described in Rule 9013-1(G) of the Local Rules of the U.S. Bankruptcy Court for the Eastern District of Virginia.

#### **NO PRIOR REQUEST**

13. No previous motion for the relief sought herein has been made to this Court or any other court.

WHEREFORE, Congressional respectfully requests entry of an order, substantially in the form attached hereto as Exhibit C authorizing an administrative rent claim in the amount of \$47,096.13, to be paid at the same time and to the same extent as all other administrative rent claimants; directing the Debtor make all future monthly payments of administrative rent and related charges in full as become due under the Lease; and grant such other and further relief as the Court deems just and proper.

Dated: January 30, 2009

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